

BBC Media Action (India) Limited

(formerly BBC WST Limited)

Annual Report 2012/13



Registered number: 2746733

Charity number: 1121665

CONTENTS

OVERVIEW	3
BOARD OF TRUSTEES' REPORT	4
OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT	4
REVIEW OF 2012/13 OBJECTIVES	5
LOOKING AHEAD: OUR AIMS FOR 2013/14	8
FINANCIAL REVIEW	9
FINANCIAL POLICIES	9
OUR ORGANISATION	10
STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS	12
TRUSTEES AND ADVISORS	13
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION (INDIA) LIMITED	14
FINANCIAL STATEMENTS	16

ANNUAL REPORT 2012/13

Overview

BBC Media Action (India) Limited (company number 2746733) is a subsidiary company of BBC Media Action, the BBC's international development charity. BBC Media Action (India) Limited is a company limited by shares of which the sole member is BBC Media Action. BBC Media Action (India) Limited was awarded charitable status on 22 November 2007. BBC Media Action (India) Limited was known as BBC WST Limited until 12 September 2013.

BBC Media Action (India) Limited's current work is focussed on India. Its mission is to use the power of media and communication to help reduce poverty and support people in understanding their rights. Our aim is to inform, connect and empower people. We work in partnership to provide access to useful, timely, reliable information. We help people make sense of events, engage in dialogue, and take action to improve their lives.

Modern India has emerged as one of the world's great economic powers, but as with many other of the world's leading emerging economies, the gap between rich and poor is growing, and prosperity is enjoyed by the minority.

In 2012/13, BBC Media Action (India) Limited focused on three priority themes: health, governance and rights and building resilience.

Under health, we continued to support the government of India in tackling the spread of HIV through health communication. The multimedia maternal and child health project in Bihar, Shaping Demands and Practices (SDP), had a very successful year with over 89,000 users calling the Mobile Kunji and Mobile Academy health service. Work has also continued, under the UK government's Department of International Development's Global Grant, to build on the lessons of the SDP project and implement elements of the maternal and child health work in two other states, Madhya Pradesh and Orissa.

Under governance and rights, BBC Media Action's Google-funded project on the prevention of bonded labour - sub-contracted to BBC Media Action (India) Limited - started baseline research to inform a second series of radio programmes and listener clubs in the states of Chhattisgarh, Jharkhand and Madhya Pradesh.

And under resilience, we successfully completed our journalist and NGO-training project aimed at improving the impartial coverage of climate and environmental issues in the Indian media by training journalists and civil society workers. Funded by the ClimateWorks Foundation and sub-contracted by BBC Media Action to BBC Media Action (India) Limited, it was extended until the end of October 2012. Research work also continued as part of Climate Asia, a public survey into knowledge and understanding of climate change in Asia.

BOARD OF TRUSTEES' REPORT

The Trustees present their Trustees' report and financial statements for the year ended 31 March 2013

OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of BBC Media Action (India) Limited are:

- the education and training of journalists and all others engaged in the broadcast media in the principles and practice of journalism, programme production, broadcasting and related media skills including ethics and codes of conduct, technical presentation and writing skills, interviewing techniques, news conferences, relevant law and newsroom roles and responsibilities so as to promote high standards of balance, fairness, integrity and professionalism, and,
- informing the public in the arts and sciences, including health, law, social policy, public administration, history, politics, economics, environmental protection, languages and in the availability of education, and in particular through the production and broadcasting and other dissemination of educational programming on film, radio and television, and the publication of other educational material for the benefit of the public

BBC Media Action (India) Limited carries out these objects by:

Delivering projects that transform lives through media – using media and communications help reduce poverty and support people in understanding their rights. Our projects use radio, television and new media to reach target audiences and employ drama, debate, current affairs programming, public service announcements, social media and mobile phones to reach development objectives as well as training journalists and health practitioners

Working in alliance with others towards our vision, BBC Media Action (India) Limited works with other development actors, with the British and international development community, and with academic institutions in India to explore the role of media from a policy perspective. BBC Media Action (India) Limited also works with civil society organisations, local media organisations, governments and the private sector

We have established that we will achieve greatest impact and public benefit by focusing on three specific thematic areas in India: health, governance and rights and resilience

Our approach to gender is cross-cutting and encompasses all areas of our work – reflecting how we champion diversity and equality as an employer, and integrate it into our work. Across our thematic areas we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies accordingly to reach beneficiaries across India

The beneficiaries of our work are the audiences who hear, watch or interact with our radio, television and mobile phone, online and social media outputs. They also include audiences who join our outreach activities such as street theatre, and journalists and others who are recipients of training and mentoring. In most cases people receive our services without charge. Occasionally we charge for a service to set it up so that it continues and is sustainable beyond the life of the project.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of BBC Media Action (India) Limited and in planning future activities. BBC Media Action (India) Limited is committed to strengthening the media in developing countries and using media and communications to reduce poverty and promote human rights globally.

REVIEW OF 2012/2013 OBJECTIVES

At BBC Media Action (India) Limited, we have fed into a new operational plan for BBC Media Action called *What We Will Do And How We Will Work – 2012-2015* which was completed this year. In line with this plan, over the year BBC Media Action (India) Limited has focused on three objectives.

Impact

Aim: To deliver our projects effectively with all programmes increasing reach as planned

How we did it:

- We ensured that all our broadcast, communication and outreach outputs were of high editorial quality and appropriate to the audiences and context in which they are used. For the second radio series in our bonded labour project, for example, baseline research has taken place in Chhattisgarh, Jharkhand and Madhya Pradesh to identify the geographical and economic realities of those vulnerable to bonded labour. In contrast to the first radio series, one noticeable finding was how migration and contract-related bondage has risen while debt-related agricultural bondage has declined. Armed with such data, the new series will address appropriate issues in these three states through high-quality output combining information about labour rights with entertainment. Listener groups of up to 30 people will also be convened to ensure the lessons learned from the programme are consistent and attendees can then take the messages back to their own communities.

Following on from the highly successful multimedia HIV prevention work delivered in recent years, in 2012/13, BBC Media Action (India) Limited continued to support the government of India to help tackle the spread of HIV through health communication. In addition to condom public service announcements and films for the National Aids Control Organisation (NACO), a short 10-minute film about HIV in India was produced for the Bill and Melinda Gates Foundation.

- We designed and delivered all our projects effectively so that they achieve impact against the agreed objectives of each project. As a subcontractor of BBC Media Action under the Ananya programme, BBC Media Action (India) Limited has continued to work delivering the five-year maternal and child health project, *Shaping Demands and Practices to Improve Family Health in Bihar*. Funded by the Bill and Melinda Gates Foundation with the full support of the government of Bihar, the project is designed to stimulate the uptake of ten priority maternal and child health behaviours using a comprehensive multi-channel communications.

During 2012/13, we have produced a high-quality long format radio show, *Khirkī Mehendiwālī* (which translates as 'Mehendi opens a window'), successfully launched at scale innovative mobile phone health services aimed at community health workers (a mobile toolkit called *Mobile Kunjī* and a training course called *Mobile Academy*), developed a mobile timeline service called *Kilkari* which makes weekly phone calls to families to give life-saving information about maternal and child health, produced adverts carrying key health messages and worked directly with frontline health workers and communities through listener groups and street theatre.

The reach figures for *Mobile Kunjī* and *Mobile Academy* are already very encouraging. We trained over 38,000 frontline health workers through three-day face-to-face training courses, in for the project duration by the end of March 2013, over 89,000 unique users had accessed more than 2 million minutes of *Mobile Kunjī* content and over 89,000 users accessed more than 2.5 million minutes of *Mobile Academy* content.

As with all our work, baseline research and user-testing informed and shaped the content. For example in developing the mobile service *Kilkari*, valuable feedback from three rounds of user testing showed that men, not women, needed to be the primary target of the calls, as they are the decision makers and the primary users of mobiles in Bihar. The writing and scripting styles were, therefore, revisited with elements brought in to appeal specifically to men. The user testing also showed that the initial plan for the service to ring families in the afternoon would not work as this was when the man – and his phone – would be out at work. The call timing was therefore adjusted to the evening when both the men and women can listen to the *Kilkari* message.

- We have further developed the intellectual framework and mechanisms to measure the impact of the work. We have used this information to enhance the quality of all our work and to inform the sector. One example has been the dissemination of the comprehensive research undertaken as part of the SDP project in Bihar. Our head of research has presented papers on family planning at the International Conference on Population and Development, focusing on how research has identified the importance of providing women with the right sort of

information and services at the right time. In addition, information collated has also informed and influenced BBC Media Action's work on health under the UK government's Department of International Development's Global Grant, including a major policy publication on mHealth and the lessons learned from the SDP project.

Income

Aim: *To secure funding to support the delivery of projects and to increase financial security of BBC Media Action (India) Limited*

How we did it:

- We delivered income to plan so that income is received as expected. This included a grant from the Public Health Foundation of India to continue our work in the area of condom promotion, sexually transmitted infections and blood safety. It is largely constituted of making TV PSAs for the Indian government's National Aids Control Organisation.
- We developed new projects so that 'other' income is secured as expected and a good pipeline is developed for future years.

Innovation

Aim: *To learn from our technologically innovative projects (and from others in the sector and beyond), particularly work in Bihar, and apply that learning where appropriate across our work*

How we will do it:

- We improved our systems and support to our colleagues so that there is more space for innovation. Colleagues from the SDP project in Bihar have plans to travel to Nigeria to share learning from the project so the Nigeria team could run similar work. Under a wider project funded by the Global Grant, elements of the Bihar model – the mobile tool kit Mobile Kunji and a radio programme – are also being implemented in districts in Orissa and Madhya Pradesh. Using learning gained from the SDP project in Bihar, the BBC Media Action (India) Limited team undertook user testing of the Mobile Kunji cards in four districts.
- We continued to seek out opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and leading media practitioners, to strengthen the shape and impact of our own work. The SDP project, where we have continued to work successfully with our Ananya programme partners and the government of Bihar, is an example of this. In our bonded labour project, in addition to producing a 56-episode radio programme and organising listener clubs, we are also working to set up a special Project Advisory Committee consisting of key representatives from government, NGOs and media organisations with the aim of bringing bonded labour issues to the fore of mainstream debate.

LOOKING AHEAD: OUR AIMS FOR 2013/14

In the coming year, BBC Media Action (India) Limited will continue to focus on the following three objectives

Impact

Aim: *To deliver our projects effectively with all programmes increasing reach and levels of impact as planned*

How we will do it:

- We will continue to ensure that all our broadcast, communication and outreach outputs are of high editorial quality and appropriate to the audiences and context in which they are used
- We will design and deliver all our projects effectively so that they achieve impact against the agreed objectives of each project
- We will further develop the intellectual framework and mechanisms to measure the impact of the work. We will use this information to enhance the design and delivery of all our work and to measure the impact of what we do and to share these findings with the sector

Income

Aim: *To secure funding to support the delivery of projects and to increase financial security of BBC Media Action (India) Limited*

How we will do it:

- We will deliver overall income and expenditure as expected
- We will develop new projects so that 'other' income is secured as expected and to develop a good pipeline for future years

Innovation

Aim: *To learn from our technologically innovative projects (and from others in the sector and beyond), particularly work in Bihar, and apply that learning where appropriate across our work*

How we will do it:

- We will improve our systems and support to our colleagues so that there is more space for innovation. We will effectively share our creative expertise and experience from maternal and child health projects to inform the sector and boost this area of work in BBC Media Action's projects globally
- We will continue to seek out opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and the very best of media practitioners, to strengthen the shape and impact of our own work

FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2013 shows a breakeven result (2012 breakeven) Total income was £5,933,666 compared to £1,762,427 in 2012 Total expenditure was £5,933,666 (2012 £1,762,427) of which 99.8% (2012 99.3%) was spent on charitable activities

The principal funding sources and the cause of the growth in income and expenditure from the prior year were the Bill and Melinda Gates Foundation and the Department for International Development (DfID)

The balance sheet at 31 March 2013 had net assets of £20,771 (2012 £20,771)

FINANCIAL POLICIES

Reserves

During the year the Board of Trustees reviewed the reserves policy The review was carried out in the context of the review of risks and opportunities for BBC Media Action (India) Limited At 31 March 2013 unrestricted reserves, which are all considered to be free reserves, were £20,771 (2012 £20,771) The Board of Trustees considers that the level of unrestricted reserves, and therefore of free reserves, are at a reasonable level in the context of BBC Media Action (India) Limited's legal structure, the financial support of its parent, BBC Media Action, described in the 'Going concern' section below, the financial risks faced by BBC Media Action (India) Limited, the stability, levels and types of future income and the impact of future plans and commitments The Board of Trustees considers that the reserves should be maintained at this target level The reserves policy is reviewed by the Board of Trustees on an annual basis

Going concern

On 17 July 2013 the Board of Trustees of BBC Media Action (India) Limited received confirmation from the Board of Trustees of its parent, BBC Media Action, that BBC Media Action would provide financial support to BBC Media Action (India) Limited, if the need should arise, in order for BBC Media Action (India) Limited to continue as a going concern

The Board of Trustees of BBC Media Action (India) Limited is of the opinion that BBC Media Action (India) Limited has adequate resources to continue in operational existence for the foreseeable future The Board of Trustees have identified no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern as is further explained in Note 1 of the financial statements

OUR ORGANISATION

Staff and volunteers

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2012/13 BBC Media Action (India) Limited employed an average of 64 staff.

The philosophy of the BBC Media Action (India) Limited is about empowerment and helping to develop local skills, so that our work can be sustained long term, long after our own in-country projects may have concluded. As a consequence, wherever possible we recruit staff from the location where we operate. The BBC Media Action (India) Limited team is predominantly Indian, and during 2012/2013 we had only two expatriate members of staff.

Legal structure

BBC Media Action (India) Limited (company number 2746733) is a company limited by shares of which the sole member is BBC Media Action. Its governing documents are a Memorandum and Articles of Association. BBC Media Action (India) Limited was awarded charitable status on 22 November 2007. In March 2007 the Reserve Bank of India granted BBC Media Action (India) Limited branch office status. The financial statements are filed annually with the Registrar of Companies.

Until 12 September 2013, BBC Media Action (India) Limited was known as BBC WST Limited.

Subsidiary companies

BBC Media Action (India) Limited has a subsidiary company, BBC MPM Inform, which is 100% owned by BBC Media Action (India) Limited. The BBC MPM Inform did not trade during the current or prior year.

Governance

Trustees are recruited and appointed after consultation with the Board of Trustees of BBC Media Action. All Trustees of BBC Media Action (India) Limited are currently also Trustees of BBC Media Action. The induction for Trustees to outline our work in the context of their responsibilities in relation to BBC Media Action (India) Limited takes place at the same time as the induction for BBC Media Action. Regular knowledge sharing sessions provide Trustees with the opportunity to gain up to date information on particular issues as part of ongoing training.

The Board of Trustees confirms that a risk review was carried out in the year and confirms that the Trustees consider the controls in place sufficient to mitigate key risks. The risk register is reviewed by Trustees on an annual basis. The Finance and Audit Committee of BBC Media Action reviews the issues of the consolidated group as a whole, which includes BBC Media Action (India) Limited. BBC Media Action (India) Limited audit committee formally meets once a year to review the accounts.

There is no internal audit function due to the size of the organisation, but the BBC's internal audit function carries out occasional reviews and audits

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Approved by the Board of Trustees on 17 July 2013 and signed on its behalf by



Richard Thomas, Chair

19 SEPTEMBER 2013

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEES AND ADVISORS

Richard Thomas (Chair)*

Michael C McCulloch*

*Member of the Audit Committee

** All trustees are also directors of the company

Auditors

KPMG LLP, Chartered Accountants, Registered Auditors, 15 Canada Square, London, E14 5GL

Bankers

Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Registered Office

Broadcasting House, Portland Place, London W1A 1AA

BBC Media Action (India) Limited is a company limited by shares with company registration number 2746733 and registered charity number 1121665

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC MEDIA ACTION (INDIA) LIMITED

We have audited the financial statements of BBC Media Action (India) Limited for the year ended 31 March 2013 set out on pages 16 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

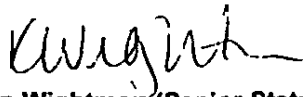
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime



**Karen Wightman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

27 September 2013

Chartered Accountants
15 Canada Square
London E14 5GL

BBC Media Action (India) Limited Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 2013 £	Total 2012 £
Incoming resources					
<i>Incoming resources from charitable activities</i>					
Grant funding for specific charitable activities	2	324,829	5,608,837	5,933,666	1,762,427
Total incoming resources		324,829	5,608,837	5,933,666	1,762,427
Resources expended					
<i>Charitable activities</i>					
Changing lives through media and communication	3	(324,829)	(5,599,584)	(5,924,413)	(1,751,691)
Total charitable activities		(324,829)	(5,599,584)	(5,924,413)	(1,751,691)
<i>Governance costs</i>	3	-	(9,253)	(9,253)	(10,736)
Total resources expended	3	(324,829)	(5,608,837)	(5,933,666)	(1,762,427)
Net income for the year	4	-	-	-	-
Reconciliation of funds					
Total funds brought forward		20,771	-	20,771	20,771
Total funds carried forward	12	20,771	-	20,771	20,771

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities.

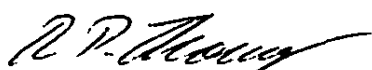
The notes on pages 18 to 25 form part of these financial statements.

BBC Media Action (India) Limited Balance Sheet
at 31 March 2013

	<i>Note</i>	2013 £	2012 £
Fixed assets			
Investments	7	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Current assets			
Debtors	8	2,682,888	1,875,511
Cash at bank and in hand		<u>58,864</u>	<u>60,178</u>
		<u>2,741,752</u>	<u>1,935,689</u>
Liabilities			
Creditors amounts falling due within one year	9	<u>(2,720,981)</u>	<u>(1,914,918)</u>
Net current assets		<u>20,771</u>	<u>20,771</u>
Net assets		<u><u>20,771</u></u>	<u><u>20,771</u></u>
Funds			
Share capital	11	3	3
Unrestricted funds		20,768	20,768
Total funds	12	<u><u>20,771</u></u>	<u><u>20,771</u></u>

The notes on pages 18 to 25 form part of these financial statements

These financial statements on pages 16 to 25 were approved by the Board of Trustees on 17 July 2013 and were signed on its behalf by



Richard Thomas
Chair

19 SEPTEMBER 2013

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards and under historical cost accounting rules

The accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (March 2005) and on a going concern basis

The Financial Review in the Trustees Report reviews the finances of BBC Media Action (India) Limited in the year ended 31 March 2013 in comparison to the prior year. The cash balance is set out in the balance sheet

The company shares banking arrangements with its parent BBC Media Action. The Trustees, having received confirmation of financial support from BBC Media Action (as described in the 'Going concern' section of the Trustees Report), have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BBC Media Action (India) Limited to continue as a going concern

On the basis of their assessment of the company's financial position and the enquiries made of the Board of Trustees of BBC Media Action, the company's trustees have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements

b) Fund accounting

The charity has various types of funds for which it is responsible and for which separate disclosure is required as follows

Restricted income funds

Grants which are earmarked by the funder for specific purposes. Such purposes are within the overall aims of the charity

Unrestricted funds

Funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity

Change to charity status

The reserves of the BBC Media Action (India) Limited at the time of the change to a charity on 22 November 2007 have been treated as unrestricted funds. Any tax liabilities at the time of the change are included in these reserves

c) Incoming resources

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to them, it is reasonably sure of receipt and the amount can be measured with sufficient reliability

Notes (continued)

1 Accounting policies (continued)

Incoming resources from charitable activities are grants specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries (paragraph 145e of SORP 2005) These are grants receivable which relate to the current year and are subject to donor imposed conditions which specify the time period in which expenditure of resources can take place These grants less the management fee are credited to restricted income within the SOFA Where grants allow a management fee to be earned the management fee is credited to unrestricted income within the SOFA Specific debts are recognised where approved grant expenditure exceeds grant income received to date and the charity can demonstrate entitlement to the income Similarly, where entitlement to income is in a future period, the income has been deferred

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the categories charitable activities and governance

e) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the statement of financial activities

f) Pension costs

Some UK employees are members of the BBC's pension schemes The BBC group operates both defined benefit and defined contribution schemes for the benefit of the employees

Defined Benefit scheme

The defined benefit schemes provide benefits based on final pensionable pay The assets of the BBC Pension Scheme, to which the majority of BBC employees belong, are held separately from those of the BBC group

BBC Media Action (India) Limited, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme This is because it is not possible to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis The expenditure charged in the SOFA therefore represents the contributions payable to the scheme in the year

g) Subsidiary undertaking

The company owns 100% of BBC MPM Inform, a close joint stock company registered in Russia The financial statements of BBC MPM Inform have not been consolidated with those of the company as the company is exempt under the small companies regime from the requirement to prepare consolidated financial statements in accordance with the Companies Act 2006

BBC MPM Inform did not trade in the current or prior years Investments in subsidiary undertakings are stated at cost less amounts written off

h) Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement as a consolidated cash flow statement is produced by the parent company, BBC Media Action

Notes (continued)

1 Accounting policies (continued)

i) Fixed assets and depreciation

Tangible fixed assets are normally stated at cost less accumulated depreciation. Assets costing more than £2,000 with an expected useful life of more than one year are capitalised. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight line basis, as follows:

Fixtures and equipment	3 years
Motor vehicles	4 years

j) Taxation

BBC Media Action (India) Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly BBC Media Action (India) Limited is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

k) Leases

Operating Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

2 Incoming resources

	Total 2013	Total 2012
	£	£
Grant funding for specific charitable activities		
Bill and Melinda Gates Foundation	3,770,420	960,040
Department for International Development	1,495,211	146,614
Public Health Foundation India	411,962	332,091
Other grants	256,073	323,682
	5,933,666	1,762,427

3 Resources expended

	Direct project costs	Project staff costs	Allocation of support costs	Total 2013	Total 2012
	2013	2013	2013	2013	2012
	£	£	£	£	£
Changing lives through media and communication	4,735,864	863,720	324,829	5,924,413	1,751,691
Governance	9,253	-	-	9,253	10,736
Total resources expended	4,745,117	863,720	324,829	5,933,666	1,762,427

Notes (continued)

3 Resources expended (continued)

Governance costs relate to audit fees. Support costs are allocated on an apportionment basis calculated as the combination of direct project costs and project staff costs for the project in relation to the combination of direct project costs and project staff costs for all projects. Project staff costs include staff charged to projects from the parent BBC Media Action.

	Total 2013 £	Total 2012 £
<i>Support activity</i>		
Programme support	78,930	10,776
General management	130,977	26,153
Financial management	40,846	9,727
Information technology	29,347	9,028
Premises and facilities	44,729	17,561
	324,829	73,245
	2013 £	2012 £
Audit of financial statements of India branch office	9,253	10,736
	9,253	10,736

In 2012 and 2013, auditor's remuneration of BBC Media Action (India) Limited was borne by another group charitable company. The portion of the audit fee relating to the BBC Media Action (India) Limited was £3,000 (2012 £3,000).

4 Notes to the SOFA

Net income for the year is stated after charging

	2013 £	2012 £
Hire of other assets - operating leases	111,703	78,901

5 Trustees and employees

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) received no remuneration for their services in the current or prior year. No trustees' expenses were paid (2012 £nil).

Staff costs referred to in note 6 are either incurred in the form of payments to the BBC for these staff members or internationally by project based payrolls.

Notes (continued)

6 Staff costs

	2013	2012
	£	£
Costs of staff are split out by		
Wages and salaries	850,201	545,981
National insurance	6,063	6,033
Pension costs	7,456	11,391
	<u>863,720</u>	<u>563,405</u>

There were no employees with emoluments of £60,000 and over

The average number of employees calculated on a full-time equivalent basis, by function was

	2013	2012
Programme activities (charitable)	<u>64</u>	<u>36</u>
	<u>64</u>	<u>36</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 2 (2012 2) The number of staff employed locally on overseas contracts was 62 (2012 34) at a cost of £692,331 (2012 £437,235)

7 Fixed asset investment

	2013	2012
	£	£
Investment in BBC MPM Inform cost	2,985	2,985
Less provision for diminution in value	(2,985)	(2,985)
	<u>-</u>	<u>-</u>

BBC MPM Inform, which is a 100% owned subsidiary incorporated in Russia, has not been consolidated in the charitable company's financial statements

The aggregate amount of the capital and reserves of BBC MPM Inform was £nil (2012 £nil) at 31 March 2013 The company has not traded in the current or prior financial years

8 Debtors

	2013	2012
	£	£
Amounts due from BBC Media Action	2,391,940	1,657,645
Other debtors and prepayments	288,341	91,450
Accrued Income (note 10)	2,607	126,416
	<u>2,682,888</u>	<u>1,875,511</u>

Notes (continued)

9 Creditors: amounts falling due within one year

	2013 £	2012 £
Other creditors	283,886	15,741
Accruals	104,817	56,940
Deferred Income (note 10)	2,332,278	1,842,237
	<u>2,720,981</u>	<u>1,914,918</u>

10 Accrued and deferred income

	Total deferred income 2012 £	Total accrued income 2012 £	Amount received and other movements 2013 £	Released through the SOFA 2013 £	Total deferred income 2013 £	Total accrued income 2013 £
Charitable activities	(1,842,237)	126,416	(6,547,516)	5,933,666	(2,332,278)	2,607

Accrued and deferred income relates to specific projects where there is a timing difference between the entitlement to income and the receipt of income. This is accounted for as per the accounting policy in note 1c on incoming resources.

11 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

BBC Media Action (India) Limited was awarded charity status on 22 November 2007. Company law requires share capital to be shown separately in the balance sheet. The share capital forms part of the unrestricted funds of the charity.

12 Funds analysis

	Restricted Funds £	Unrestricted Funds £	Total £
Balance at 1 April 2012	-	20,771	20,771
Incoming resources	5,608,837	324,829	5,933,666
Outgoing resources	(5,608,837)	(324,829)	(5,933,666)
Balance at 31 March 2013	<u>-</u>	<u>20,771</u>	<u>20,771</u>

Notes (continued)

13 Commitments

a) Capital

There were no capital commitments at the end of the current or prior financial years

b) Financial

BBC Media Action (India) Limited had committed the following amount in sub-grants to partners working on international projects which will form part of the grants allocated in future years

	2013 £	2012 £
Sub-grants which expire		
Within one year	344,076	971,766
In the second to fifth years inclusive	633,303	639,566
Over five years	-	-
	<u>977,379</u>	<u>1,611,332</u>

c) Operating Leases

Annual commitments under non-cancellable operating leases are as follows

	2013 £	2012 £
Land and buildings		
Operating leases which expire		
Within one year	34,489	25,122
In the second to fifth years inclusive	11,900	17,107
Over five years	-	-
	<u>46,389</u>	<u>42,229</u>

At 31 March 2013, total amounts payable in the future on non-cancellable operating leases were £47,389 relating to land and buildings (2012 £72,913)

BBC Media Action (India) Limited is involved in various tax claims arising in the normal course of business. Management does not expect this to have a material adverse effect on BBC Media Action (India) Limited's financial position, changes in net assets or cashflow

14 Ultimate parent company

The ultimate parent undertaking, ultimate controlling party and parent of the only group in which the results of the charity are consolidated is BBC Media Action (formerly The BBC World Service Trust), a charitable company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales

Copies of the financial statements for BBC Media Action can be obtained from BBC Media Action, Media Centre, 201 Wood Lane, London W12 7TQ

Notes *(continued)*

15 Related party transactions

During the year, the BBC Media Action received all monies on behalf of BBC Media Action (India) Limited (2012 same) At 31 March 2013, an amount of £2,391,940 (2012 £1,657,645) was owed by the BBC Media Action to BBC Media Action (India) Limited

16 Pension costs

BBC Media Action (India) Limited, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis The pension cost for this scheme therefore represents contributions payable by BBC Media Action (India) Limited to the scheme and the costs amounted to £7,456 in the year (2012 £11,391) At 31 March 2013, no contributions had been prepaid (2012 nil)

The actuarial valuation was updated for FRS 17 purposes to 31 March 2013 by Towers Watson, consulting actuaries This valuation identified a deficit of £1,710.0 million in the scheme at 31 March 2013 (2012 £1,172.0 million) Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from www.bbc.co.uk/annualreport